



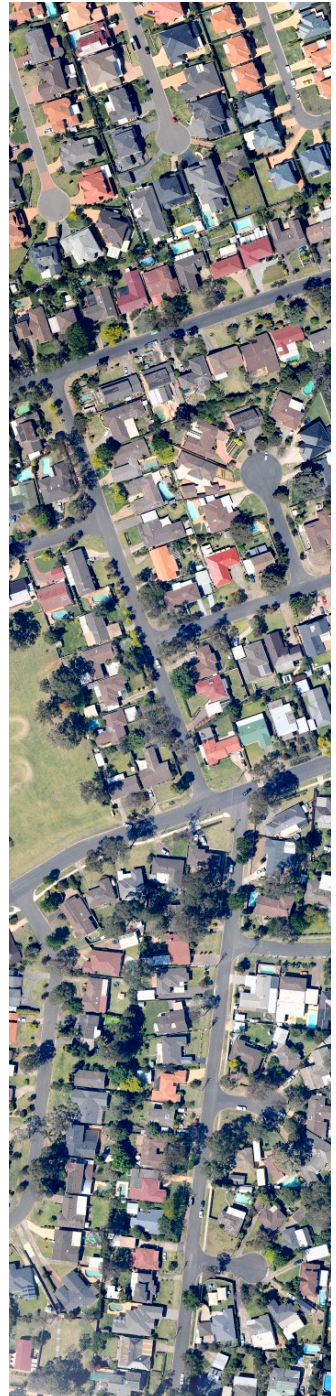
The Developer

“A neanderthal developer once rolled a rock to the entrance of his cave, and created real estate, providing the natural void with some additional attribute not found in nature, such as warmth, security, or exclusiveness. He had successfully interfaced land (a finite natural resource) with an artefact (the rock the first solid core door) to serve an unmet need of a space consumer (a market). Eventually his possession of the cave became more sophisticated with survey monuments, condominium plots, county records, and equity courts. Real estate is therefore a manufactured product of artificially differentiated cubage with an institution time dimension (square foot per year, room per night, cave per moon), designed to interface society with the natural resource land. Thus real estate at an level is an organised undertaking whose form is subordinate to the constraints imposed on it by nature and man.”, James A Graaskamp

Predominately for larger scale development Greenfield land, typically undeveloped land or land previously used for agriculture. The alternative to this is Brownfield, which tends to occur in areas which historically were used for industry and due to increased and expanding city density the value of these sites increases significantly, such that industrial activities will, over time, move to alternative industrial areas on the fringes of the metropolitan area.

Site Selection

For a developer considering a Brownfield site, it tends to come with additional risk when considering any type of development for such a site. Typically, these sites are contaminated due to their previous uses, generally a history of waste disposal on around the site. Australia has a body who are known as the National Environmental Protection Measure, who assess and regulate all site contamination in Australia. According to the remediation Australasia Organisation “the main driver for brown field development is property value”. Niall Johnston. The issue of site contamination is that, with the involvement of large financial investment, the developer will require insurance, the cost of that insurance will be directly related to the natural geology, history, usage and diversity of use. It seems, however, this risk is outweighed by the increasing price of land.



Landcom, for instance was “set up to offer affordable houses on Sydney’s fringe”. Not any longer, just a land provider, they have diversified and are now a State Owned Corporation and development arm of the NSW Government.

Typically, upon the selection of a site a developer will initially engage in a feasibility process, this will require the developer to forecast the revenue potential compared with the costs associated at each stage of the process.

The potential for the engagement of an architect from this very early point in the process I believe will ensure that the judgements of the developer take into account a much more thorough degree of research, which will directly apply to the outcomes measured by the feasibility process. That is assuming that the developer engages in a ‘feasibility’ process prior to the purchase of a site. Therefore, potentially enabling the developer to negotiate the price more appropriately based upon site constraints.

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Suburban Development

The homeworld experience it seems is a learning curve that architects have been excluded from. A total of 36 builders homes are and as one slogan states 'one stop shopping'. I believe that one of the significant factors is that the marketing and branding of their products. Infact, looking at the websites, and visiting Homeworld one starts to realise that if there is all this expenditure on Marketing, there must be some significant formulas that work for both the development/building companies.

Checking into the Homeworld website, where you will find “Homeworld news”, the home page shows the most recent three articles, one such article, delighted to announce that “The House at Homeworld” promotion has been extended until April 30th, the offers are outlined:

“The offers include; free site costs saving up to \$15,000, added value inclusions worth over \$31,000 for only \$3,600, free ducted air conditioning, a \$29,000 dream home package for \$3,900, a steel frame at a timber price and a free alfresco lifestyle living area valued at \$7,000.” SMH

Homeworld is like the housing department of Bunnings, it's just a supersized shopping experience. Likewise, the attractions associated with this sort of shopping. For one, the convenience of having such a large number of brands to compare and explore, the ability to see a large selection of homes laid out in a contextual environment and potentially everything one is interested in, within the space of a Saturday. Having walked through and let the children run around the consumer is submerged in an experience of what things might be like. Given that they are still in such good form and he's happy, she's seen the walk-in wardrobe and the mood takes them. I'm quite sure anyone in sales will conceded these are happy customers.

“All the homes are landscaped and furnished so that it is just like visiting a real neighbourhood giving a realistic impression of how the home will look on your block of land. Walking into the homes you can assess how your furniture will look and fit in the new home to achieve a visual balance.” Frank Death

Now compare this experience to the one when one engages an architect, the consumer can walk-through and take in the physical experience of their potential home. Then because they are in such a delighted state of mind they are hooked. And really, put ones self in the mind of the average consumer, someone who has the money and lacks the inclination to plunge into a degree of open ended debt, in order to obtain their own bespoke piece of architecture? The design, development and its associated approval process is complicated enough for the most sophisticated teams of Developers and Architects to navigate, especially, within the confines of what was set-out in the feasibility phase.





The propaganda gets worse. Take for instance Kevin McCloud's "Grand Designs", a program exported from the United Kingdom reveals numerous instances, which, all share a common theme, whereby Kevin, the program's presenter, often focuses upon issues relating to budget and meagre living conditions during construction. Add to this scenes where mum is preparing dinner in a leaking caravan and her husband is spending evenings, compensating for work-delays caused by "dreadful English weather", by laying bricks in the moonlight. All this to add a little suspense to his very popular program. Whether or not the client has revealed the budget, it is consistently, program formula, the final question posed to the clients 'did the project make or exceed budget', and in many (I would say most) cases they have exceeded and in more drastic scenarios, they reveal stories of having to borrow money from family or extend their mortgage significantly. Unfortunately, these are true stories.

Considering a renovation? Homeworld comes to the rescue again, you can knock down and re-build. They have before and after images, a perfectly pleasant looking home and their suggestion, 'just wipe the slate clean, and buy new one', it's like upgrading your pc software. Unlike renovation, it's claimed to be cheaper:



“The new home at Balgowlah, on Sydney’s Northern Beaches, has delighted Chris – so much so he even allowed Jandson Homes to hold an open house to highlight the benefits of replacing an old home with a new one.

“I grew up in the area and loved it. Unfortunately the old family home wasn’t suitable for my needs. By knocking it down and rebuilding I was able to stay in the area I like so much, and build a new home that better suits both my current and future lifestyle needs,” said Chris.

Ideally suited to knockdown and rebuild projects, Jandson Homes innovatively designed Horizon dares to be different.”



This trend of knock down rebuild is so in keeping with our contemporary society. We are consumed by consumption. An article in the Sydney Morning Herald notes that it was realised that “almost half of the \$250 billion spent on housing each year was on alteration and additions, with one in every seven new houses simply replacing existing houses that have been demolished.”

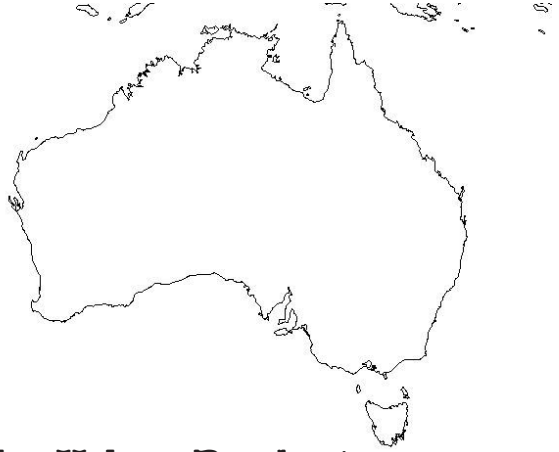
So, with a little innovation, Homeworld have diversified into an even larger market place. A market place that clearly is not nostalgic for heritage of the family home, passed down by each generation. Out with the old, in with the new.



“Australians have always loved outdoor entertaining with the barbecue cooking up a storm. That’s why the alfresco rooms have proved so popular allowing families and friends to enjoy the café society in their own home.” Frank Death



“Thanks to the innovative architectural skills of the builders at HomeWorld Kellyville and new construction materials there are many forward thinking design options to choose from to build a home that exceeds your lifestyle expectations.” Frank Death



The Urban Product

Mirvac Development, have a foot in all areas of development, their involvement is in NSW, QLD, VIC, WA and their range of products for NSW include Homes, Apartments, Land and Mirvac land (subdivision) for building on.

For instance their new development in the Eastern Suburbs, Endeavour 88. This makes sense, they are not just selling a house which has three bedrooms, and state of the art kitchen, but they are selling a 'life style', as if the house isn't really all that one gains. Instead, as an owner of this property you will be immersed in this urban hip beach culture. The website is a sign of things to come, who knows, if you register 'your interest' with their marketing department, by way of telephone or by filling in their online questionnaire, you will be contacted as soon as possible.



“beachlifestyleliving”

Building castles in the sand, ice creams melting in the midday sun, children's footprints in the tide lines, and a vibrant cosmopolitan lifestyle all around you. Endeavour 88 is a once in a lifetime opportunity to own an unrivalled Eastern Suburbs address bordered by green parklands and moments away from Sydney's most iconic beaches. Here a coastal playground beckons. Cafes with an ocean view. Fine dining high above the waves. The buzz of the beachside markets. Or the quiet of a sheltered bay. Close to the city yet a world away from care, Endeavour 88's beach lifestyle surrounds feel like a home that goes beyond your front door. It's where your children can treasure the simple pleasures of growing up by the beach and a place you and your family will cherish for a lifetime.” Mirvac

Typically, Mirvac's buildings are of reasonable quality, which works for them and I believe reinforces their brand to the market place, who I believe respond to this very smooth marketing campaign for a development. The building may not even be designed as yet and already they are able to gauge 'who' and potentially, 'within what price bracket' interested parties might consider. Therefore, they might have the apartments sold prior to construction thereby reducing their risk and continued interest repayments on outstanding loans. In this case all outstanding loans could be settled within the construction period. This may mean a large percentage of profit to the developer over and above the speculations of their initial feasibility report.

The Urban Lifestyle





The Retirement Product

Retirement, is on the increase and accordingly so, it is predicted that our population is aging and by 2050 we will reach 35 million, twice that of what it is now. The builders at Homeworld, the designers at Mirvac, Stockland and those like them have responded. They have done their homework and are responding accordingly, with their defined product, outlined in glossy brochures and sales staff only too happy to drive the potential purchaser around their village in a golf buggy. Providing retirement villages or in the case of Homeworld's single story homes, with on-site nurses and staff to respond to any call-button emergencies. It really is a case of providing exactly what the customer needs. The developer has defined their client and their specific needs, responded with the a product and with a cooky cutter they have etched themselves a new market share. One which buys with cash.



The Great Australian Dream.....

The 'Great Australian' dream began at the end of World War II when owning ones own home was achievable and represented a sense of security. In the 1950's land Sales control was lifted, and after a recession in 1957 the Rent controls on commercial buildings was lifted resulting in a development boom in Sydney city centre. Fast forward to today and we find ourselves at a crucial point in Australia's development. We have sprawled beyond our infrastructure and as a result of increased immigration we are experiencing a vendors market whereby supply does not match demand, hence our years of the 'Great Australian Dream' starting to fade.

The Modular Approach

Low or High Density

Ownership is what dominates the minds of Australians and our popular media, it is the point of contention for some, however, for the architectural profession I believe it should make us focus upon our ability to lead the building industry into the 20th century.

The provision of property and its affordability is a problem that can be solved. It is through the re-engagement of designers and planners that developers might find alternative products, much like off the shelf items, to provide to the market place. It is not logical that all individuals engage their own architect, but rather the developer, acting more like a marketing/sales person, could engage the architect to provide well designed Prefab housing designed with the in-

tention that they should be:

prefabricated
modular
transportable
adaptable
expandable



Prefabrication

Andrew Maynard, an architect, who explains how this method relates to our current market place. He relates buying a house to buying a piece of electoral equipment, or a vehicle. He argues that for the building industry to catch up with these other product based industries it needs to diversify into the manufacturing of buildings in the same automated way that cars are.

Unfortunately, affordable housing is currently not a feasible option because after one has gone through the process and reduced the quality or extent of some of the internal finishes and marginally reduced living spaces, the reductions achieved are considered to be insignificant. The proof provided to 'me', from developers I have spoken with, on the subject, noted that if it was a feasible venture they would be doing as it would be yet another opportunity for their business to gain a larger market share.

The Prefabrication process has the following benefits:

Potential for high quality finish
and construction method

Significantly reduced construction time

Less defects

Construction occurs in a controlled
environment (climate/weather)

Waste is reduced (less error and the ability
to refine the process over time)

Construction occurs off-site
(reducing construction noise)

Consumption is reduced
(using standard material
sizes)

Modulation

In the case of the “Prefab House”, the modulation of its dimensions is to take into account the transporting of each constructed module to site. In the instance of this example, it is claimed that “the basic modules are dictated by the maximum dimensions available to be transported legally on Australian road without permits. The dimensions are similar to those commonly seen in freight containers.

It is the designers intention that also by standardising the module it can be stacked vertically if the context requires. Alternatively, due to design considerations he notes that the using “train track” footing system the modules are slid into place.

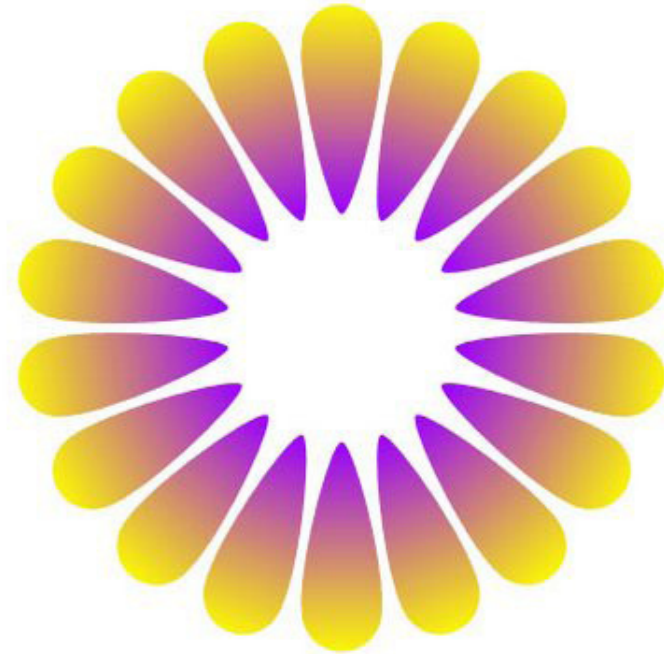


Transportation

The fact that the object is of a designated size, it makes it possible to standardise the delivery and assembly of these objects. This opens up the market to a single company who potentially can ship or transport their houses interstate or internationally.

Providing modular housing for developing parts of the world that share our climate may have some potential for an export market.

It should be noted that the costs for a manufacturing plant and associated equipment means that the quantity of production would need to be quite high before the prices become reduced.



Adaptability/Expandability

This allows for the connection of a number of modules to one another, increasing the number of rooms or living space to accommodate a growing family. The 'Adaptability' would facilitate the consumer purchasing or extending their accommodation as they can afford, reducing their need to borrow large sums of money. Like any asset these modules with an 'adaptable' nature could be sold on to a second and third user as children move away from home and accommodation requirements reduce.

The fact that the models can be transferred as a second hand commodity can provide future affordable housing and an ability to reduce a mortgage at a later stage in someone's earning career.

As in all manufacturing processes, waste is reduced due to

Recyclable/Transferable

“WASTE - Beyond the benefit of tight cost control, prefabrication also enables material wastage to be limited to a minimum and allows recycling to be optimised. Articulate waste in the prefab process thereby achieving less waste and greater recycle turn around.

THERMAL CONTROL - All walls are insulated and there is a mix of fixed double glazed and openable double and single glazed windows and doors. All solid doors will be insulated and all openings will have breeze seals on all edges. The basic module is 5 metres wide allowing optimal through breezes to cool in summer. While Glazed areas can be orientated north to allow optimal solar gain in winter.

WATER - As described above the roof is designed as a single shallow gutter, thereby allowing all water to be articulated to 1 or 2 points. This allows a water tank to be easily located near the house with very little water loss.” Andrew Maynard

Conclusion

Developers are working there hardest to meet the needs of the market... They are, and will continue, to do research and find out what society needs, it is there mission statement to meet these needs. This is what drives there profit and gives them the margin to keep going. With developers, architects and builders working together, there is no doubt the dream future of affordable housing in Australia will be delivered. They are often driven by the best quality material for the cheapest price. By doing this the developer can maintain image and achieve the financial quota. At the end of the day developers are representing a company that is driven by pioneering design, and profit.

